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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 17, 2015

CERTIFIED RETURN RECEIPT

7013 3020 0002 3659 6139

Cliff Read
Rock & Stone LLC
P. O. Box 1947
Park City, Utah 84060

Subject: Review of Reclamation Surety, Rock & Stone LLC, Strawberry River Quarry, S/013/0008, Duchesne County, Utah

Dear Mr. Read:

The last surety estimate for the Strawberry River mine was done in 2010 and escalated to 2015 dollars, with a re-evaluation date of April 4, 2015. The surety amount needs to be adjusted to account for changes in reclamation costs.

Based on average reclamation costs, the surety amount needs to be increased from \$20,700 to \$24,500 for a three-year escalation (until 2018) or \$25,000 for a five-year escalation (until 2020), as shown below.

Small Mine Operation Bond Calculation Worksheet S/013/0008			
3-year escalation (2018)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,000.00	\$8,000.00
Add'l Acres Disturbance	3	\$5,000.00	\$15,000.00
Mob/demob 51-100 miles	1	\$1,500.00	\$1,500.00
Mob/demob 101-150 miles	0	\$2,900.00	\$0.00
Mob/demob 151-200 miles	0	\$4,400.00	\$0.00
TOTAL			\$24,500.00
5-year escalation (2020)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,200.00	\$8,200.00
Add'l Acres Disturbance	3	\$5,100.00	\$15,300.00
Mob/demob 51-100 miles	1	\$1,500.00	\$1,500.00
Mob/demob 101-150 miles	0	\$3,000.00	\$0.00
Mob/demob 151-200 miles	0	\$4,500.00	\$0.00
TOTAL			\$25,000.00

Cliff Read
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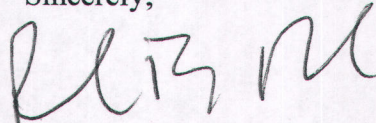
Please contact the minerals bond coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov for information about submitting the additional surety. The current reclamation surety is a letter of credit with Zions Bank. The amount of reclamation surety may be increased by providing an amended letter of credit or a certificate of deposit, cash, or a surety bond for either the increased or full amount. Bonding forms are available on the Internet at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>.

As an alternative to increasing the surety amount, the reclamation liability can be decreased by reclaiming a portion of the site and amending the Notice of Intention to Commence Small Mining Operations to show the decreased acreage. If you decide to pursue this option, please contact the Leslie Heppler at 801-538-5257. The Division would need to continue to hold adequate surety for the reclaimed area while vegetation is becoming established.

By October 16, 2015, please provide the additional surety or notify the Division that you intend to reclaim a portion of the site. Reclamation would need to be completed by November 2, 2015.

Thank you for your help in keeping the surety current. Please contact Leslie Heppler at 801-538-5257 or me at 801-538-5261 if you have questions regarding this letter. In reply please refer to file number S/013/0008.

Sincerely,



Paul B. Baker
Mining Program Manager

PBB:lah:pb

cc: Mike Hyde, Duchesne County (mhyde@co.duchesne.ut.us)

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